Marguerite Cotto

NMC

Lifelong &
Professional Learning

To: Senate Education Committee

From: Northwestern Michigan College
Traverse City, Michigan

Date: September 17, 2014

Subject: Michigan New Jobs Training Program

Members of the Senate Education Committee, thank you for this opportunity to speak of Northwestern Michigan College's (NMC) experiences with the New Jobs Training Program. I serve as Vice President for the division of Lifelong & Professional Learning which represents those areas responsible for our training activities and for the administration of the New Jobs Training Program agreements with area employers.

We've been early participants, our first agreement signed in 2010, and since that point our Board has approved contracts with 23 companies, representing 423 new jobs, and just under $2 million dollars in training services for these new positions. Over half of these are contracts with area manufacturers – who represent activities in plastics, laser technology, advanced manufacturing, specialized machining, and for which over 70% of their sales take place at the national and international level. The additional agreements are in areas that represent the diversity of economic interests of our region: healthcare, finance, value-added agriculture, forestry, and defense.

In the course of analyzing our economic impact in the communities we serve, Northwestern Michigan College recently received findings on a study of the college's impact on the region, of which the following information from the Upjohn Institute's report is of particular interest to your consideration. This references the multiplier effect of new jobs created by economic sector in Michigan. Our report notes that for every 10 jobs created in the manufacturing sector, an additional 8 jobs are supported by services and products provided by the purchasing capacity of these job holders. As another example, the multiplier in health-care is 6 additional jobs created for every 10 new positions. The secondary impact jobs may be in day care, retail, transportation, as examples. We believe they also provide a backstory to the importance of the New Jobs Training Program beyond the directly jobs created with its support.

Serving communities such as Kalkaska, Central Lake, Boyne City, in addition to those in Traverse City and the Grand Traverse County area it is reasonable to suggest that the 423 new positions that have been accelerated through the efforts of multiple economic development tools, and featuring the New Jobs Training Program, extend employer impact into community benefits that can be – in themselves – economic "game changers" for many other individuals and families.

We believe that continued access to the New Jobs Training Program by increasing the current $50 million cap and by removing the current sunset date will strengthen our work with employers who seek to extend their training resources and the capacity to competitively attract and hire new talent. By providing employers a strategy that encourages them to use their current personnel training budgets to strengthen performance of existing employees, this tool makes easier support of new employee development in a smart and effective manner. NMC currently manages a waiting list of employers across all sectors anticipating the next rotation of funding available to our region.

I would also like to note, that the attraction, retention, and development of new talent is a collaborative effort which we share with our partners such as Michigan Works!, the Northwest Michigan Council of Governments, and the Traverse Bay Area Chamber of Commerce. We believe that continuation and strengthening of this program will be a factor in the growth of regional economies and that of the state of Michigan in the broadest sense.

Our agreements represent a smaller scale in comparison to others in the state, but the effect on participating companies carries the same impact. For that story, I am pleased to introduce Mr. Matt Bulloch, President of TentCraft, Inc., one of our most recent participants.

Thank you.